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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 28, 2008

Dave Shaver, Manager  
Genwal Resources, Inc.  
P.O. Box 1077  
Price, Utah 84501

Subject: Denial of Request for Waiver of Bond Requirement, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032

Dear Mr. Shaver:

On April 22, 2008 the Division received your request to allow a waiver from the bonding requirement for the East Mountain Drillpads at the Crandall Canyon Mine. While we recognize the good-faith effort that Genwal Resources has demonstrated thus far in the reclamation effort, the bonding requirement simply cannot be waived. It is a statutory requirement that a bond be in place to cover the cost of reclamation until final reclamation has been accomplished and the release approved.

While we believe that Genwal Resources intends to complete reclamation in the near future, we cannot rely on a promise but must rely on a surety. The Division still expects Genwal Resources, Inc. to supply the \$268,196 for reclamation of the East Mountain drill pads. Should reclamation be completed this coming construction season, the Division will work as quickly as possible to release the phase I portion of the bond.

If you have any questions, please feel free to call me at (801) 538-5325.

Sincerely,

Daron R. Haddock  
Permit Supervisor

an  
cc: Price Field Office  
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